



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street  
San Francisco, CA 94105

January 5, 2015

Sarah Jones  
Environmental Review Officer  
San Francisco Planning Department  
1650 Mission Street, Suite 400  
San Francisco, California 94103

Subject: Draft Environmental Impact Report/Environmental Impact Statement for the Potrero Hope Master Plan, San Francisco, California (CEQ# 20140314)

Dear Ms. Jones:

The U.S. Environmental Protection Agency (EPA) has reviewed the above-referenced document pursuant to the National Environmental Policy Act (NEPA), Council on Environmental Quality (CEQ) regulations (40 CFR Parts 1500-1508), and our NEPA review authority under Section 309 of the Clean Air Act. Our detailed comments are enclosed.

The Project proposes to demolish 620 public housing units and develop housing for up to 1,700 new units on the project site, located in Potrero Hill, to revitalize the distressed Potrero Housing Development and add additional affordable housing options in the City of San Francisco. The Proposed Project would include new vehicle and pedestrian connections, a new street and block layout, new transit stops, and new water, wastewater, and storm water infrastructure. In addition, the Proposed Project would incorporate green construction and sustainable principles, retail, community facilities, and open space. The Proposed Project would be built to Leadership in Energy and Environmental Design for Neighborhood Development (LEED ND) standards.

Based on our review, we have rated the Proposed Project as *Lack of Objections (LO)* (see enclosed "Summary of Rating Definitions"). While we do not object to the Proposed Project, we have some recommendations, for your consideration, for improving the mitigation and disclosure of impacts in the Final EIR/EIS.

EPA appreciates the opportunity to review this DEIR/DEIS. When the Final EIR/EIS is released for public review, please send one copy to the address above (mail code: ENF-4-2). If you have any questions, please contact me at (415) 972-3521, or contact Karen Vitulano, the lead reviewer for this project, at 415-947-4178 or vitulano.karen@epa.gov.

Sincerely,

For

Kathleen Martyn Goforth, Manager  
Environmental Review Section

Enclosure:    Summary of EPA Rating Definitions  
                 EPA's Detailed Comments

cc:       Ernest Molins, Regional Environmental Officer, U.S. Department of Housing and Urban  
             Development

# **SUMMARY OF EPA RATING DEFINITIONS**

This rating system was developed as a means to summarize EPA's level of concern with a proposed action. The ratings are a combination of alphabetical categories for evaluation of the environmental impacts of the proposal and numerical categories for evaluation of the adequacy of the EIS.

## **ENVIRONMENTAL IMPACT OF THE ACTION**

### ***"LO" (Lack of Objections)***

The EPA review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

### ***"EC" (Environmental Concerns)***

The EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce the environmental impact. EPA would like to work with the lead agency to reduce these impacts.

### ***"EO" (Environmental Objections)***

The EPA review has identified significant environmental impacts that must be avoided in order to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

### ***"EU" (Environmentally Unsatisfactory)***

The EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of public health or welfare or environmental quality. EPA intends to work with the lead agency to reduce these impacts. If the potentially unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommended for referral to the CEQ.

## **ADEQUACY OF THE IMPACT STATEMENT**

### ***Category 1" (Adequate)***

EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis or data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

### ***"Category 2" (Insufficient Information)***

The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new reasonably available alternatives that are within the spectrum of alternatives analysed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses, or discussion should be included in the final EIS.

### ***"Category 3" (Inadequate)***

EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analysed in the draft EIS, which should be analysed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analyses, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the NEPA and/or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.

\*From EPA Manual 1640, "Policy and Procedures for the Review of Federal Actions Impacting the Environment."

## Air Quality

### *Construction-phase impacts*

The DEIR/DEIS identifies significant and unavoidable air quality impacts during the construction phase due to emissions of oxides of nitrogen (NO<sub>x</sub>) above the significance threshold used in the analysis (p. 5.9-25). In addition, the analysis predicts a significant health risk impact from excess cancer risk, as evaluated in the Health Risk Assessment, as well as significant concentrations of particulate matter emissions less than 2.5 microns (PM<sub>2.5</sub>) for a resident living at the project site during the construction phase<sup>1</sup> (p. 5.9-35). However, the project proposes substantial mitigation measures to reduce these impacts and all impacts would be less than significant with mitigation except for the increases in NO<sub>x</sub> emissions, which, while remaining significant, would have negligible impacts on human health, according to the DEIR/DEIS.

Notwithstanding this conclusion, we recommend that the San Francisco Planning Department and HUD seek opportunities to reduce construction-phase truck emissions where possible. One possibility could be attempts to balance cut and fill volumes to reduce truck trips. Because the project site has hilly topography, grading of over 248,000 cubic yards is expected over the three construction phases, with the number of truck trips ranging from 3,550 to over 14,000 (depending on truck size). Phase 2 would require 77,810 cubic yards of fill be imported to the site, while Phase 3 would require the export of 51,250 cubic yards from the site (p. 5.7-75). It is not clear if efforts to balance cut and fill to reduce truck trips have been explored.

Additionally, the project site contains naturally-occurring asbestos. The DEIR/DEIS states that the Bay Area Air Quality Management District requires construction contractors to prepare an asbestos dust mitigation plan specifying measures that would be taken to ensure that no visible dust crosses the property boundary. The asbestos dust mitigation plan must also include an asbestos air monitoring plan if residences, businesses, hospitals, and other receptors are located within 0.25 mile of any boundary of an area to be disturbed (p. 5.18-19). Because there will be receptors on the site as well as within in the required buffer area that will require an air monitoring plan, it appears this mitigation measure needs to be modified to account for on-site residents.

*Recommendation:* Ensure that mitigation measures M-AQ-2a and 2b, which require efficient construction equipment (including Tier 4 off-road engines after 2016), are implemented, as well mitigation measure M-AQ-4 – the preparation of a Construction Emissions Minimization Plan.

Identify whether the balancing of cut and fill volumes, such as altering the phasing of construction to reduce truck trips from soil import to and export from the site, has been explored and commit to this measure in the Final EIS if this hasn't already been considered.

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<sup>1</sup>Because construction of the Proposed Project would be phased over the course of approximately 10 years, construction activities would overlap with operational activity at the Project site. (p. 5.9-17)

Include a mitigation measure to address naturally-occurring asbestos that modifies the BAAQMD requirement for a dust mitigation and monitoring plan to account for, and adequately protect, residences living on-site during construction of other phases of the project.

### ***Air quality mitigation***

The project would be built to Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND) standards (p. 2-6) and the design process for the proposed project will be guided by the San Francisco Planning Code (p. 2-1) which reflects the latest smart growth policies (p. 5.10-12). The DEIR/DEIS does not specify whether photovoltaics would be incorporated into the project. It does identify the LEED credits for incorporating renewable energy into the project, and identifies the requirements for new commercial buildings to provide on-site renewable energy or purchase renewable energy credits (p. 5.10-17). Because criteria pollutants would be emitted from area sources during the operational phase as a result of natural gas combustion for heating and other uses (p. 5.10-15), incorporating photovoltaics into the project design would help mitigate impacts from criteria and greenhouse gas emissions.

The DEIR/DEIS does not state whether residential units would contain wood-burning fireplaces but does identify wood burning in fireplaces as a source of fine particulates (p. 4.9-4) and black carbon as a major contributor to global climate change (p. 4.10-1).

*Recommendation:* Consider incorporating photovoltaics into the project design. Consider excluding wood-burning fireplaces from the project to reduce adverse health effects caused by particulate matter pollution.

### ***Roadway-generated pollutants***

The DEIR/DEIS identifies the City of San Francisco's health code provisions regarding roadway-generated pollutants (Article 38) and concludes that based on the location of the project site outside of the Air Pollutant Exposure Zone Map, the project is not required to provide enhanced ventilation for the proposed residential units (p. 5.9-6). This determination was based on the Department of Public Health's March 2014 guidance document. The 2014 amendments to Article 38 included revisions to the underlying map of the City's Air Pollutant Exposure Zone and it is not clear if the air quality analysis utilized the most recent Air Pollutant Exposure Zone map. See: <https://www.sfdph.org/dph/files/EHSdocs/AirQuality/Article38DevGuidance.pdf>.

*Recommendation:* Identify in the FEIR/FEIS whether the determination that the project does not need to provide enhanced ventilation still applies under the 2014 amendments to Article 38.

### ***Loss of Significant Trees***

The project would remove 249 significant trees, which are defined as trees above 20 feet in height, or with a canopy greater than 15 feet in diameter, or with a trunk greater than 12 inches in diameter at breast height (p. 4.15-17). While the project would replace trees according to the Urban Forestry Ordinance, which requires one street tree for every 20 feet of street frontage (p. 2-14), it is not clear whether this represents a 1:1 replacement.

The landscaping on the project site would also consist of park trees, shrubs, native grasses, and lawn, and the DEIR/DEIS states that trees planted on the project site would include a mix of evergreen and deciduous, chosen to provide a variety and resiliency to disease and aid in stormwater management (p. 5.15-18). While these are important tree selection criteria, we note that President Obama issued a

federal memorandum in June 2014 entitled *Creating a Federal Strategy to Promote the Health of Honey Bees and Other Pollinators*<sup>2</sup> which directs Federal agencies to take steps to protect and restore domestic populations of pollinators. To help achieve this goal, CEQ issued an addendum to its sustainable landscape guidance on October 22, 2014 entitled *Supporting the Health of Honey Bees and other Pollinators*<sup>3</sup> which provides guidance to help Federal agencies incorporate pollinator friendly practices in new construction and landscaping improvements.

*Recommendations:* Clarify in the Final EIR/EIS whether the project will replace all significant trees that are removed during grading. We recommend tree replacement at a minimum ratio of 1:1 and that the responsible party for tree maintenance be specified.

We recommend that the landscape plan include pollinator-friendly plant species and that the project incorporate pollinator-friendly practices into site landscape performance requirements, particularly regarding the use of pesticides, and ensure all maintenance personnel are made aware of these practices.

### **Environmental Justice**

The project site is considered to be extremely low income and is considered an environmental justice community on the basis of both income and ethnicity (p. 4.5-3). The DEIR/DEIS states that input from the community was sought in over 30 workshops, presentations, and project tours which were conducted in English since approximately 76% of the population on the project site are fluent in English (p. 4.5-4). However, the DEIR/DEIS does not specify how project information was communicated to the almost one quarter of the population that was not fluent in English. Executive Order 12898 requires federal agencies to work to ensure effective public participation and access to information.

*Recommendation:* In the Final EIR/EIS, identify whether any public outreach efforts occurred for non-English speakers. Consider conducting language-specific outreach prior to the distribution of the Final EIR/EIS if outreach for non-English speakers has not yet occurred.

### **Scope of NEPA Evaluation**

The DEIR/DEIS states in a number of resource evaluation chapters that certain impact assessments are not covered under NEPA and are evaluated under the California Environmental Quality Act (CEQA) only. For example, the evaluation of the effects of hazardous materials on schools includes this statement. We believe the scope of NEPA analysis is broader than the document suggests. For example, NEPA documents commonly evaluate a project's effects on children pursuant to *Executive Order 13045 - Protection of Children from Environmental Health Risks and Safety Risks*. The DEIR/DEIS also states that effects on stormwater capacity are not covered under NEPA, without explanation, nor are effects on septic tanks, which clearly could have a water quality impact. Additionally, the DEIR/DEIS states that evaluation of effects on paleontological resources are not covered under NEPA. While NEPA does not provide specific guidance regarding paleontological resources, the NEPA requirement that federal agencies take all practicable measures to "preserve important historic, cultural, and natural aspects of our national heritage" (NEPA § 101[b][4]) is commonly interpreted as applying to paleontological materials.

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<sup>2</sup> See <http://www.whitehouse.gov/the-press-office/2014/06/20/presidential-memorandum-creating-federal-strategy-promote-health-honey-b>

<sup>3</sup> See [http://www.whitehouse.gov/sites/default/files/docs/supporting\\_the\\_health\\_of\\_honey\\_bees\\_and\\_other\\_pollinators.pdf](http://www.whitehouse.gov/sites/default/files/docs/supporting_the_health_of_honey_bees_and_other_pollinators.pdf)

*Recommendation:* We recommend revisiting the rationale for determining whether impact assessments are covered under NEPA. When the document concludes that an evaluation is not covered under NEPA, provide a more thorough explanation.